

MINUTES
IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
PROGRAM

April 27, 2007

COMMISSIONER'S CONFERENCE ROOM
IOWA INSURANCE DIVISION, 330 EAST MAPLE STREET
DES MOINES, IOWA

Susan Voss, Chairperson, called the Iowa UST Board meeting to order at 10:03 A.M. A quorum was present. Roll call was taken with the following Board members present:

Delia Meier (via telephone)
Doug Beech
Stephen Larson (for Michael Fitzgerald)
Cathy Rottinghaus

Also present were:

David Steward, Attorney General's Office
Scott Scheidel, Program Administrator
Lacey Skalicky, Program Administrator's Office
James Gastineau, Program Administrator's Office
Elaine Douskey, Iowa Department of Natural Resources

APPROVAL OF PRIOR BOARD MINUTES

The minutes from the March 30, 2007 meeting were reviewed. Ms. Rottinghaus moved to approve the minutes, Mr. Larson seconded the motion, and by a vote of 5-0, the minutes were approved.

CLOSED SESSION

Ms. Voss noted there were no matters dealing with litigation for discussion in closed session pursuant to Iowa Code Chapter 21. Therefore no closed session convened.

PUBLIC COMMENT

Ms. Voss requested any comments from the public present. There were no comments at this time.

BOARD ISSUES

A. Legislative Update

Mr. Scheidel stated to the Board that the Legislature had not mentioned the UST Fund during budget discussions; therefore he expected the Fund to be looked at next year as a measure to fill holes in the budget created by spending increases of approximately 10%. Also, he stated that Senate File 499 passed the Senate, and the companion House File 792 was amended to match the Senate file and became House File 928. That file was not active of late, and Mr. Scheidel offered that he would follow up with legislators to keep that file moving toward passage in the House. He explained that the file would implement many required rules resulting from the Federal Energy Policy Act. Ms. Voss wondered if many legislators understood the UST Program, considering the turnover in the Senate left very few that had been around for the inception of the Program. Mr. Scheidel listed those legislators who comprehended the UST Program, and he went on to say that after his annual address regarding the UST Fund and Program, he received very little feedback. This was the first year that he had not been requested to speak before any committees regarding the UST Fund.

Another item that Mr. Scheidel mentioned was the compatibility of ethanol products with UST systems. He explained that the legislature had created the Iowa Renewable Fuels Infrastructure Board last year to distribute funding to site owners who wanted to upgrade their sites and systems to hold and sell an 85% ethanol product (E-85). He noted that an amendment was attached to the agriculture budget bill to ease restrictions on UST systems holding E-85, in other words, to allow those systems to not be compatible with the product. Mr. Scheidel was requested to explain to the committee why the compatibility issue was so important.

B. DNR Update

Elaine Douskey, Supervisor of the UST/LUST sections of the Department of Natural Resources (DNR) discussed with the Board the funding for an attorney position within the Department. She stated the position had not yet been approved by the Attorney General's Office. Also, she discussed potential federal funding from the Environmental Protection Agency (EPA). She stated the EPA had indicated there were additional funds available for LUST work in the form of state improvement grants. Before the recent State meeting, EPA had requested each state put together a proposal for funding, and Ms. Douskey said she had submitted a proposal for assistance for the new attorney position, as well as, one to extend the current corrective action meeting facilitator position. She hoped the EPA would accept at least one of those proposals.

Ms. Douskey followed up with the Board about rule development associated with the pending legislation regarding the Energy Policy Act, stating that the DNR had distributed a general letter to stakeholders requesting input for the rules to be written. DNR had been putting together a rough draft of rule language for further discussion with stakeholders.

Also, Ms. Douskey stated the EPA had funds available for UST sections, for which the Iowa DNR would have to compete with other states. The amount of the grant was substantial, and she believed it to be a one-time grant. The Iowa DNR could use the grant money for owner/operator

training, as well as, inspection database enhancement. And lastly, she reported that a Risk Based Corrective Action training course for the certification of groundwater professionals would be held on May 17 & 18th, with an exam to be held within 2 weeks following the course.

PROGRAM BILLINGS

Mr. Scheidel presented the current monthly billings to the Board for approval.

1. Aon Risk Services\$ 118,222.00
Consulting Services – May 2007 (\$65,638.00)
Claims Processing Services – May 2007 (\$52,584.00)
2. Attorney General's Office\$8,027.50
Services provided for Underground Storage Tank Program
March 2007 billing
3. Iowa Dept of Revenue\$941.86
Environmental Protection Charge Collections
Jan – Mar 2007
4. Iowa Dept of Inspections and Appeals\$41.75
Jan – Mar 2007 (MUD-E, Inc. appeal)
5. Iowa Dept of Inspections and Appeals\$62.63
Jan – Mar 2007 (B&B Gas appeal)

No additional billings for outside cost recovery counsel were presented by the Attorney General's office for this meeting. On a motion by Ms. Rottinghaus and a second by Mr. Larson, the billings were approved by a vote of 5-0.

MONTHLY ACTIVITY REPORT

Mr. Scheidel noted that the March activity reports, financial reports and opt-in reports were in the Board packets. Ms. Voss inquired if any money would be re-allocated from the UST Fund to balance the State budget, and Mr. Scheidel explained that he couldn't say definitively either way.

ATTORNEY GENERAL'S REPORT

Mr. Steward requested that the Board advance him the cost of the Fund Administrator's Conference trip to St. Petersburg, Florida in June. He requested a maximum of \$1,000. He had requested reimbursement from the organization that sponsors the conference New England Interstate Water Pollution Control Commission (NEIWPCC). The Board agreed to cover his costs for the conference.

CLAIM AUTHORITY

Mr. Gastineau presented the following claim authority requests:

1. Site Registration 8610061 – 1010 Partnership, Davenport

This was the third Board report for a site that was classified as high risk for soil leaching to a protected groundwater source, plus it has a very large free product plume in 3 distinct soil horizons. A 15 well multi-phase extraction (MPE) system was installed and commenced operation in late 2005. The system operated sporadically due to problems with equipment freezing, equipment operations, failure to meet effluent discharge limits, and a change in consultants. The system has been re-started at the site as a soil vapor extraction (SVE) system only. We have asked the new consultant to evaluate and estimate the cost to bring the system back on line as a MPE system. Additional system equipment, such as an additional air-stripper unit, will likely be necessary. Previous authority to \$400,000 had been granted, of which \$399,744.29 was approved to date. Additional authority to \$650,000 was requested for a site monitoring report (SMR), free product recovery (FPR), and continuation of system operation.

After a brief discussion, a motion to approve the claim authority was submitted by Ms. Rottinghaus and seconded by Mr. Larson. Approved 5-0.

2. Site Registration 8601463 – Jet Gas Corp., Pulaski

This was the second Board report for a site that was classified high risk for soil, soil vapor, soil leaching to PVC water lines, and groundwater to PVC water lines. A small additional excavation and PVC water line replacement with ductile iron was proposed for this site. Previous authority to \$200,000 had been granted, of which \$124,047.05 was approved to date. Additional authority to \$250,000 was requested for a site monitoring report (SMR) and implementation of the excavation and PVC water line replacement.

Ms. Rottinghaus submitted a motion to approve the claim authority, and Mr. Beech seconded the motion. Approved 5-0.

CONTRACTS ENTERED INTO SINCE THE MARCH 30, 2007 BOARD MEETING

Mr. Scheidel noted that the Board had not entered into any contracts or agreements since the last Board meeting.

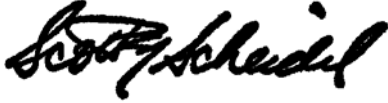
OTHER ISSUES

Mr. Scheidel noted that the Annual Strategic Planning Session of the Board was upcoming in July. The Board members agreed upon certain dates in July. Ms. Skalicky explained that the venue for the meeting would most likely be in either Des Moines or Ames. More information on that meeting would follow in May. Also, Mr. Scheidel stated the next meeting of the Iowa UST Fund Board was scheduled for Thursday, May 24, 2007 at 10 A.M.

CORRESPONDENCE AND ATTACHMENTS

Ms. Voss asked if there was any further business, and there being none, Ms. Rottinghaus moved to adjourn, and Ms. Meier seconded the motion. By a vote of 5-0, the Board adjourned at 10:27 A.M.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Scott M. Scheidel". The signature is written in a cursive, flowing style with a prominent initial "S".

Scott M. Scheidel
Administrator